

June 2004

State Senator

Burton Leland

Reports to the people of the 5th Senate District

Newsletter

Town Hall Meeting Update

Dear Neighbor:

Our recent Town Hall meeting was a great success. Nearly 100 of you showed up to tell me what was on your minds and to find out how we could work together to make our community a better place to live. For your convenience, I've put together an Update Report that talks about the subject areas we covered and will give us a measuring stick for future progress.

Please contact my office with additional ideas you may have for community building. I look forward to our next time together.

Sincerely,

Burton Leland

Governor Proposes Bold Change to Rate Setting

Gov. Granholm proposed a rule change that would stop insurance companies from using credit history to set rates for auto and home insurance. As you know, insurers use this mechanism to justify unfair rates in urban areas. I have repeatedly sponsored legislation that would have effectively made the same revisions. The Governor's rule bypasses committee logghead.

At a press conference held in Detroit on April 26, Gov. Granholm and Insurance Commissioner Linda Watters announced the first of a series of changes that will take place regarding personal insurance rates in Michigan.

The goal of these changes is to reduce the cost of insurance for all of us.

I, and many of my Democratic colleagues, have pledged support for the Governor's efforts and will continue to fight for fair and affordable insurance rates for all.



Funding Gap Delays Detroit Road Improvements

A number of constituents asked why there is no construction at Grand River Avenue and I-96 while work is being done on I-96 between Telegraph Road and Southfield Freeway. The answer is easy: money. Lack of funding has forced transportation officials to divide construction projects into phases and the Grand River portion will begin in April 2005.

Next year, construction crews will rebuild pavement, bridges, and some sewers east along I-96 from Southfield Freeway (M-39) to Schaefer Avenue, according to transportation officials. The road work is expected to last for the entire construction season from April to November.

Also in 2005, construction work is scheduled for the one-mile stretch south from Roosevelt Street to Warren Avenue. The I-96/I-94 interchange will be affected by the construction set to rebuild the roadway, transportation officials said.

Unfortunately, for most transportation funding, we must look to Washington, D.C. for the answer. Our transportation projects are currently in limbo due to uncertain federal funding levels. We receive only 92 cents for every dollar we send to Washington, D.C. for road projects.

To make up the difference, I sponsored legislation that would increase the state diesel fuel tax to 19 cents per gallon for trucks. This would add \$50 million to our coffers. Currently, the state collects 15 cents a gallon for diesel fuel and 19 cents a gallon for gasoline fuel. Big 18-wheeler trucks pay less tax than passenger automobiles. The proposal sits in committee.

Meanwhile, a coalition of Michigan transportation officials continues to seek transportation funding for Michigan that would return \$1 for every dollar we pay in federal highway taxes. Future projects, and the speed of their completion, lies in the hands of our elected officials in Washington, D.C.



Grandparents' Rights Remain Undecided by Legislature

State legislators from the Senate and House are hammering out details of a bill that would restore grandparents' visitation rights. Under current law, grandparents cannot petition for visitation.

Michigan's grandparent visitation law was declared unconstitutional because it did not take into account the decisions of fit parents regarding visitation time.

Legislators are at odds over what evidence should be required as proof

that grandparenting time is necessary. Both the Senate and the House have passed versions of this bill, but set different thresholds. In addition, there is no agreement yet on what, if any, recourse grandparents should have in a case where parents oppose visitation.

There have been no indications as to when a compromise will be reached. I will keep you posted as the process continues.

Residents May See MichCon Refund

For those of you questioning rising natural gas prices and the sometimes confusing Gas Cost Recovery (GCR) charge, we have an answer for you. Currently, the Michigan Public Service Commission is considering whether MichCon's recovery charge is fair.

In April, an administrative law judge found that MichCon's GCR charge was too high for the month of December 2001 and ordered a refund of \$60 million to its customers. If the Commission agrees with the judge, consumers would see a cost savings of \$36 to \$40 per year that would be credited to future bills.

The GCR charge returns to MichCon the amount it pays for the natural gas it provides to the public. The rate is set a year in advance and is based on

market cost at the time of purchase. The dollar-for-dollar return does not allow the utility company to make a profit on the gas it buys. Rather, MichCon profits from customer and distribution charges, which are determined separately from recovery charges.



Pre-Engineering Program Operates Despite Cuts

In the face of massive layoffs and budget cuts, Detroit Public Schools continue to educate our children. The beleaguered school system has found a way to thrive when it seems like the powers that be desire it to fail.

Demonstrating the strength of public and private funds, the Detroit Area Pre-College Engineering Program (DAPCEP) trains more than 1,700 Detroit Public School students in the area of engineering, science, and technology. For five years in a row, DAPCEP students received the Golden Torch Award from the National Society of Black Engineers.

More than 25,000 students have gone through the program. Thousands of them have received technology degrees from the nation's finest colleges and landed jobs at major firms and research institutions. Although the program is free, it requires the active participation of parents during its six-week course schedule.

Classes taught by public and private school instructors are held Saturday mornings at local universities, including Wayne State University, the University

of Detroit Mercy, and the University of Michigan. The Michigan Legislature has designated \$250,000 for use by DAPCEP.

Unfortunately, this figure is less than half the amount the Legislature has previously provided. Still, in the face of massive cuts, this program has managed to survive. Parents, benefactors, and public help have boosted DAPCEP in this time of economic turmoil. It is my commitment to continue to fight for adequate state funding for this valuable program.





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Michigan Job Switch: Manufacturing to Service

As the nation approaches the beginnings of an economic recovery, Michigan finds itself facing a changing job market. We are a manufacturing state that now has to look to the service industry for job placement. Since 2000, Michigan has lost 175,000 jobs, most of those in the manufacturing sector.

Recently, however, the economy has shown some positive signs. New jobs have been created around the country, but less than 1 in 10 of those positions is in manufacturing. Most of the new employment is in the service industry: hospitals, hotels, and retail stores.

What does this mean for Michiganders, who for generations counted on manufacturing jobs to raise us to middle-class status? It means education, re-education, and skilled trades. We can no longer simply graduate high school, go to work in the local factory, and live a solid middle-class life until we retire.

Legislative Democrats, together with our Governor, are working hard to help in this fight. Together we have:

- Introduced legislation to make education mandatory to age 18 and establish standards for grade level promotions.
- Made R.E.A.D.Y. kits available to all children born in this state to help ensure they are well prepared to start school.
- Challenged public universities and colleges to balance tuition increases with the rate of inflation.
- Requested that Intermediate School Districts create "Learn to Earn" centers that will give high school dropouts the skills needed to succeed in life and to contribute to society.
- Awarded grants to local community colleges to retrain manufacturing employees.



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